

HOUSE BILL 1315

By Beck

AN ACT to amend Tennessee Code Annotated, Title 57,
Chapter 3, Part 2, relative to authorizing a satellite
facility.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 57-3-202, is amended by adding the
following language as a new subsection:

(k)

(1) For purposes of this subsection (k), "satellite facility" means a facility
that has the following characteristics:

(A) Is located on a tract or tracts of land having at least twenty-
four (24) contiguous acres;

(B) Is located adjacent to a federal highway;

(C) A commercial railroad track is not more than two hundred fifty
feet (250') from the nearest property line;

(D) Has a structure that was originally constructed prior to 1860
as a private residence;

(E) Has a historic stable and carriage house;

(F) Is leased or owned by a not-for-profit corporation that qualifies
under the Internal Revenue Code § 501(c)(3);

(G) Is located within the jurisdictional limits of a county with a
metropolitan form of government having a population of not less than six
hundred thousand (600,000) according to the 2010 federal census or any
subsequent federal census; and

(H) Is located within the jurisdictional limits of a city having a population of not less than two thousand nine hundred (2,900) nor more than three thousand (3,000) according to the 2010 federal census or any subsequent federal census.

(2) A manufacturer may conduct business at a satellite facility including:

(A) Serving samples of alcoholic beverages distilled or blended by the manufacturer, with or without charge, and with or without ice and mixers;

(B) Selling bottles of alcoholic beverages distilled or blended by the manufacturer; and

(C) Selling merchandise promoting the brand or brands of the manufacturer.

(3) All alcoholic beverages to be served or sold at the satellite facility shall be distributed by a wholesaler. For products acquired from a wholesaler by a manufacturer under this section, the wholesaler may permit the manufacturer to deliver its products to the satellite facility; provided, the wholesaler permitting such direct shipment shall include the amounts delivered in its inventory and depletions for purposes of tax collections.

(4) A manufacturer licensed under this subsection (k) shall have the privilege of granting a franchise for the service and sale of alcoholic beverages and merchandise at the satellite facility; provided, that the franchise is granted to a nonprofit entity that is the holder of a winery license issued under § 57-3-207. The satellite facility may be located on the premises of the winery's retail store and operated by the nonprofit as part of the winery retail store. The manufacturer shall remain responsible for compliance with all laws under its manufacturing license.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.